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Joint Statement for the Record

of

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Business Transformation Agency**

and

**Ms. Pamela S. Mitchell
Director
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Before the

**House Committee on Armed Services
Subcommittee on Oversight and Investigations**

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David M. Fisher
Director,
Business Transformation Agency (BTA)



Mr. David M. Fisher was announced as the first permanent Director of the Business Transformation Agency in March, 2007. He had served as the interim Director for the Agency since October, 2006.

Mr. Fisher was part of the leadership team at the time of the original stand-up of the BTA in October, 2005, where he held the position of Director, Transformation Planning and Performance. In this role, he oversaw the end-to-end process for development of the DoD Business Enterprise Architecture (BEA) and Enterprise Transition Plan (ETP).

In March 2006, Mr. Fisher assumed the newly-created role of the Defense Enterprise Integration Executive, where he had the responsibility for oversight of the engagement between the BTA and the DoD Components (military departments and defense agencies) in terms of the implementation of the requirements depicted in the DoD's Business Enterprise Architecture (BEA) in the Components' large-scale business system transformation efforts. This effort had a particular focus on the Components' enterprise resource planning (ERP) system implementations. In July, 2006, he added to this role the responsibilities as the Director, Transformation Priorities and Requirements, where he was responsible for facilitating the relationship between the BTA and the functional leadership in the DoD Business Mission Areas in terms of future requirements that ultimately targeted for including in department-wide business transformation efforts.

Mr. Fisher originally joined the Department of Defense in March, 2005, as the Special Assistant to the Deputy Under Secretary of Defense (Financial Management). In this capacity, he provided leadership for enterprise-level DoD business transformation, with a particular focus on finance transformation, visibility, and auditability. Prior to joining the Department of Defense, Mr. Fisher served as a Managing Director with the BearingPoint, where he focused on Account Management and Business Process Optimization for clients in the public and private sectors. Mr. Fisher managed a cross-section of BearingPoint's largest multi-functional and multi-site, packaged software implementations (including Oracle Applications, Siebel Systems, and MatrixOne). This included requirements gathering, process design, program communications, system configuration, test case management, and issue management. Mr. Fisher has published books such as, *Optimize Now (or else!): How to Leverage Processes and Information to Achieve Enterprise Optimization (and Avoid Enterprise Extinction 2004)* providing a unique perspective on challenges and opportunities for organizations in pursuit of enterprise-wide optimization. Mr. Fisher also served as a key speaker on business process optimization at conferences including Oracle AppsWorld and U.S. Process World.

Mr. Fisher graduated with distinction from Stanford University with a Bachelor's degree in Communication. He completed his Master's of Business Administration at Santa Clara University's Leavey School of Business.

Pamela S. Mitchell
Director
Defense Travel Management Office

Biography

Office of the Under Secretary of Defense

Personnel and Readiness

Ms. Pamela S. Mitchell, a member of the Senior Executive Service, is assigned to the Office of the Under Secretary of Defense, Personnel and Readiness, serving as the Director, Defense Travel Management Office (DTMO). The DTMO, a component of the Defense Human Resources Activity, is aligned under the Deputy Under Secretary of Defense, Military Personnel Policy. The DTMO was established in February 2006, to consolidate and improve commercial travel oversight and management within the Department of Defense, serving as the single focal point for commercial travel both within the Department and with industry. As the Director, Ms. Mitchell provides oversight for commercial travel management, travel policy and implementation, customer support and training, the DoD travel card program, as well as functional oversight of the Defense Travel system (DTS).



Ms. Mitchell holds a Master of Science degree in National Security Strategy from the National War College, National Defense University and a Master of Business Administration from the Florida Institute of Technology. She is a graduate of the U. S. Army's Command and General Staff College, and of the University of Southern Colorado with a Bachelor of Arts degree in history.

Ms. Mitchell retired from the United States Army at the rank of colonel, having served over 25 years in the field of military personnel management and military personnel systems. Key assignments included Chief, Field Systems and Chief, Personnel Service Support at the United States Total Army Personnel Command, and Director, Enlisted Management for United States Army Europe. She also commanded a Personnel Services Battalion, in Germany. Following her retirement, she was employed in the private sector as a human resources consultant before returning to the Department of Defense.

Awards include the Legion of Merit with one oak leaf cluster, Meritorious Service Medal with five oak leaf clusters, Army Commendation Medal, and Army Achievement Medal.

Introduction

Chairman Snyder, Congressman Wittman, and distinguished Members of this subcommittee, thank you for the opportunity to provide an update on the great strides the Department of Defense (DoD) had made in improving usability and customer acceptance of the Defense Travel System (DTS). Since the last hearing on DTS almost a year ago, the Department has continued to focus its efforts on improving DTS and we are pleased to describe some of these efforts today.

DTMO and BTA

Before discussing the specifics of DTS, it is important to acknowledge the partnership between the Business Transformation Agency (BTA) and Defense Travel Management Office (DTMO) that has provided the foundation for implementing travel recommendations and exploring new initiatives. DTMO, established by the Under Secretary of Defense for Personnel and Readiness, provides a focal point for commercial travel within DoD. DTMO sets travel policy, centrally manages commercial travel programs, and provides functional oversight of DTS. BTA's DTS Program Management Office implements the capabilities within DTS to support requirements identified by DTMO and vetted by the governance process. This governance process includes the Defense Travel Improvement Board (DTIB) and Defense Travel Steering Committee (DTSC), which are both co-chaired by the DTMO and BTA, and ensures that all impacts of any changes to the travel enterprise are fully considered. The BTA-DTMO collaboration has created an environment that has allowed an enterprise-wide system like DTS to flourish into a fully integrated financial management and travel system that meets the needs of the DoD community while operating within Federal and DoD travel guidelines.

DTS

DTS is a fully integrated, automated, end-to-end travel management system that enables DoD travelers to create authorizations (temporary duty (TDY) travel orders), prepare reservations, receive approvals, generate travel vouchers, and receive a split reimbursement between their bank account and the Government Travel Charge Card (GTCC) vendor. The traveler can access DTS via a single web portal.

DTS benefits the DoD and the DoD traveler through:

- Reduced transaction costs.
- Payment of travel claims three times faster than mandated.
- Rapid creation of travel authorizations and vouchers.
- An automated approval process.
- Personalized reservations and itinerary changes for airline, lodging, and rental cars.

In terms of improvements, the Department has focused its efforts on expanding DTS usage, making DTS more user friendly, and improving customer satisfaction. Related to this, the Department continues to work on initiatives aimed at reducing the number of legacy systems, exploring the use of restricted fares, simplifying travel policy, and implementing the recommendations of the Section 943 study.

Expanding DTS Usage

DTS acceptance continues to grow. Currently, DTS operates at over 9,500 sites and organizations worldwide and fielding is 96 percent complete. The Department is moving forward with completing fielding to the Reserve Component and the National Guard. Of the remaining sites

and organizations to be fielded, most are Army and Air Force Reserve and Guard.

Another expansion of DTS usage is Ships Afloat, which will permit DTS to be used on ships. This has been a challenge, particularly with respect to bandwidth concerns and the need for persistent connectivity. The Navy is currently conducting a pilot to determine the most feasible option to complete this implementation.

DTS usage for voucher processing has continued to increase. DoD travelers submitted over five million TDY travel vouchers in FY 2008; DTS processed over 3.2 million of these vouchers – a rate of 64.8 percent, representing a 36.5 percent increase over FY 2007. This growth continues in FY 2009, with a year-to-date processing rate of 73.2 percent. As DTS usage increases, the cost to process vouchers decreases. For example, the Army and some Defense Agencies use the Defense Finance and Accounting Service (DFAS) to process legacy system vouchers. The Department used the cost of processing these legacy system vouchers, which incurred DFAS processing fees, to calculate the savings from processing vouchers using DTS. The comparison showed that processing vouchers in DTS resulted in a greater than 40 percent reduction in costs from FY 2007 to FY 2008 for the Army and these Defense Agencies.

The types of travel accommodated within DTS are also being expanded, most notably with Special Circumstance Travel and Permanent Duty Travel, or PDT. Special Circumstance Travel includes travel scenarios which fall outside the category of “normal” business-related travel including escort, witness, and cadet/midshipman travel. Special Circumstance Travel is scheduled for implementation in July 2009. PDT will include Permanent Change of Station travel, travel upon retirement, separation travel, local move travel (i.e., Personally Procured Moves (PPM), originally known as DITY), and accession for officers. This functionality will provide the capability for approximately 700,000 additional military members to use DTS for

permanent duty travel annually and, for the first time, allows travel reservations for the service member and authorized family members. PDT is scheduled for implementation in October 2009.

These enhancements to DTS functionality will bring the Department significantly closer to employing a single travel system across the enterprise.

DTS Becomes More User Friendly

DTS usability is defined as the effectiveness, efficiency, and satisfaction with which users can achieve tasks when interfacing with the DTS. The Department is aware of traveler issues with using DTS, and increasing the system's usability remains a top priority. Usability improvements are an ongoing effort; last year, the Department contracted for an independent DTS Usability Review with the intent of enhancing the intuitiveness of the system. The review focused on areas where users had the most difficulty and involved more than 280 participants at 10 DoD installations, including participants from the military services and the defense agencies. This review, completed in September 2008, recommended several DTS changes to enhance usability.

The Department is taking a two-phased approach to implement usability enhancements recommended by this review. The first phase, planned for implementation in February 2010, is a series of enhancements to improve the traveler's experience. Revisions to DTS screens and to navigational buttons will make them more user friendly and intuitive.

The second phase, planned for May 2011, will include more extensive systemic enhancements to improve usability. One such enhancement will be a graphical user interface update to make navigation easier for DTS users. Updates in this second phase are the result of direct input from the DTS user community.

Another critical component of enhancing DTS usability is an integrated training program for

users, travel administrators, and managers. The Department is revamping all of its travel training programs to provide the knowledge and skills necessary for successful and efficient travel. We continue to focus on the needs of DTS users by evaluating the strengths of current travel training and maximizing opportunities for improvement.

Since July 2008, the Department has launched five on-line training modules for DTS users. This training - available anytime and anywhere - covers DTS, travel policy, the Government Travel Charge Card Program, the City Pair Program, and the U.S. Government Rental Car Program. Over 24,000 travelers have taken advantage of this training since inception of these five modules. Planned curriculum improvement will specifically target both new and infrequent users. New training modules have been created that provide “show-me, try-it” activities for more detailed understanding.

Focusing on improving system usability and the DTS training program will continue to positively impact the DTS user experience.

Customer Satisfaction

The Department is well on its way to integrating customer feedback into DTS improvements and the entire scope of travel. The travel community now has access to a meaningful customer satisfaction program, providing an opportunity to offer their opinions and suggestions. A key component of this program is the QuickCompass survey, a simpler, new scientific polling methodology. The 2008 QuickCompass survey results showed that 69 percent of DTS users find the system easy to use when making airline reservations; and 79 percent find it easy to use when making rental car reservations. This is early evidence that the Department’s efforts to increase the usability and functionality of DTS are working. The ease of use is

expected to lead to increased preference for using DTS over other methods of making reservations.

Informal customer feedback on programs supporting travel is also collected on a continuous basis through the web-based Interactive Customer Evaluation (ICE) system. These customer comments provide useful insight into the user perspective.

The Department also tracks DTS Voucher Payment Time (VPT) as a measure of customer satisfaction. VPT is the time that elapses from when a traveler signs a travel claim to the time the traveler is paid. DTS Voucher Payment Time in the first quarter of Fiscal Year (FY) 2009 averaged 8.7 days; this is more than three times faster than the requirement for reimbursement and much faster than manual processing.

Legacy Travel Systems

As DTS gains the capability to support a higher percentage of all DoD travel requirements, the number of legacy systems throughout the Department will be reduced. This will result in cost savings, as these systems will no longer require sustainment, maintenance, or resources.

The Department's projected sunset date for all identified systems that can be shut down is 2013. DTS functionality will continue to be enhanced to support capabilities of the legacy systems through 2012. As legacy systems are designated for sunset (based on the availability of DTS functionality), they will be discontinued. In May 2008, the DTIB approved several legacy systems as candidates for elimination with the implementation of DTS, and we are on-schedule to develop an initial sunset plan by the end of FY 2010.

Use of Restricted Fares

A Department study of restricted fares confirmed that current policy concerning restricted fares is adequate and provides the flexibility needed to pursue the use of restricted fares for official travel. DoD travelers are able to purchase restricted tickets via DTS by requesting assistance from the Commercial Travel Office (CTO). This can be done by sending a written request to the CTO during the reservation process. To further accommodate restricted tickets within DTS, DoD is exploring the feasibility of two options that would add a restricted fares tab to enable online booking.

Simplifying Travel Policy

The Department is simplifying travel policy through a three-phased approach. Phase 1, which was just completed (FY 2007 – 2009), consisted of a joint DoD and GSA comprehensive policy review. Some of the recommendations included strengthening governance structures and submitting a travel reform legislative package.

Next, Phase 2 (FY 2009-2010) will focus concurrently on two areas: identifying and initiating action for specific opportunities for changes not requiring legislation, and identifying changes requiring legislation and compiling a comprehensive reform package. Finally, the goal for Phase 3 (FY 2011 and beyond) is to have a comprehensive travel reform package passed into law and proceed with full implementation. The Department is currently reviewing what statutory changes may be required and will forward proposed legislation through the Department's legislative program.

The Department believes that the three-phased approach will both enable and synchronize real reform and simplification of travel policies, and appreciates your support in making this a reality.

Section 943 Study

Section 943 of the 2007 National Defense Authorization Act mandated an independent study of DTS to determine the most cost-effective method of meeting DoD's travel requirements. The study resulted in a variety of near and long-term recommendations, many of which are outlined in this statement. All recommendations are ongoing and many have already been implemented. These include:

- Field DTS at remaining DoD sites. Currently, DTS is fielded to 96 percent of DoD sites, with projected completion by September 2009.
- Establish and publish a clear mandate for use of DTS for all travel that DTS is capable of efficiently supporting. This was completed in March 2008.
- Continue using the "Reservation Refresh" module in DTS to provide lowest-cost routing, access to a more complete airline flight inventory, and improve usability. Use of Reservation Refresh continues.
- Implement DTS usability improvements. The DTS Usability Review was completed in September 2008 and implementation of DTS Usability Review improvements will begin in early Fiscal Year 2010.
- Develop additional DTS functionalities to improve capability and a proactive strategy for absorbing legacy travel systems. Special Circumstance Travel, scheduled to be implemented in July 2009, will add an additional 29 trip types to DTS. Permanent

Duty Travel, scheduled to be implemented in October 2009, will provide the capability for approximately 700,000 military members to use DTS for this purpose.

- Develop a DTS “Commercial Travel Office Assistance Option” that allows the traveler to request the CTO to make reservations for the entire trip immediately after establishing the trip in DTS. This was implemented in September 2008.
- Conduct a comprehensive review of DoD travel regulations with the objective of substantially reducing the number of travel types. This is ongoing.
- Explore a service-oriented architecture (SOA) approach within limits of prudent risks. BTA completed a SOA pilot travel service, Trip Cost Estimator. The pilot identified risks and resulted in the development and validation of methodology for identifying and selecting candidate services. Trip Cost Estimator is now a deployable service, and is currently under review as part of the normal governance process.

DTS and Defense Business Transformation

DTS, supported by the BTA and DTMO, is one of the best examples of a successful collaboration within the Department to deliver an enterprise system with measurable value. Eliminating stovepipes and delivering enterprise solutions are key elements of the Department’s business transformation mission. To guide DTS and other enterprise solutions on a path toward successful transformation, the BTA recently adopted a set of guiding principles, known as the “Six S’s of Success.” These six principles - Strategic Alignment, Stovepipe Elimination, Standardize, Streamline, Simplify, and Systems and Services – are described in the context of DTS below:

- Strategic Alignment: Following the implementation of the Reservation Refresh module in 2007, DTS became easier to use and adoption increased. DTS supports alignment within the travel and finance communities and is *the* tool for travel management within the DoD.
- Stovepipe Elimination: DTS represents the seamless integration between the travel and finance communities, implementing the individual capabilities of each community without sacrificing the ability for tight integration. Improvements in DTS have broken down functional stovepipes that hindered effective processing of individual travel transactions.
- Standardize: DTS supports the DoD's compliance to travel regulations through its standardized business rules and policies. DoD travelers see the same available inventory, rates, and follow the same business rules in DTS.
- Streamline: The results are in the metrics. For example, payment for travel vouchers is provided in about a week, which is far above the requirement.
- Simplify: The Department recognizes that there is work to be done in this area. DTS is a complex system, in part because of the travel rules and regulations that must be embedded in the tool. As efforts to simplify travel policies progress, the DoD will be able to simplify and streamline the supporting processes for its travelers.
- Systems and Services: Positive results from DTS have enabled the Department to achieve another key "S" – Savings. Every reservation made and voucher paid through DTS saves the Department money.

The partnership between BTA and DTMO, and the adoption of these guiding principles have led to improvements in the DTS tool, a better experience for DoD travelers, and savings for the Department.

Way Forward

The Department has made significant progress in the past year, and has charted an ambitious path ahead. The Department will continue to:

- Improve the usability and functionality of DTS so that it remains a responsive and a valued tool for the traveler;
- Improve the Department's training program so that travelers will be comfortable with travel policy and using DTS;
- Enhance the traveler experience by understanding and acting on customer feedback;
- Maintain improvements to effectively support travelers through the Travel Assistance Center;
- Simplify travel policy and explore solutions for the next generation of travel.

Conclusion

The Department's efforts to enhance the usability and functionality of DTS are providing positive results for travelers. The continued exceptional growth in voucher processing, coupled with the favorable QuickCompass survey results, indicate improved customer satisfaction. With continued progress, it is expected that DTS will be DoD travelers' preferred method for making travel arrangements.

The BTA and the DTMO will continue to work in partnership to effectively reshape the Defense Travel Enterprise through results-oriented innovation to provide the best possible results and value for the DoD traveler, the Department, and the American taxpayers.

Mr. Chairman, thank you and the Members of the subcommittee for your continued support and the opportunity to appear and provide an update on the progress of DTS. We would be pleased to answer any questions you have at this time.